



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

September 25, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

News

9/21/12 HHS released a report which found that as a result of the ACA, the average beneficiary with traditional Medicare will save \$5,000 from 2010 to 2022. The report also found that Medicare beneficiaries with high prescription drug costs will save more than \$18,000 over the same period.

In 2010, anyone with Medicare who hit the Medicare Part D prescription drug coverage gap (**known as the donut hole**) received an automatic \$250 rebate. This year Medicare beneficiaries will receive a 14% discount on generics and a 50% discount on their covered brand name prescription drugs. These discounts will continue to grow over time until the Medicare Part D prescription drug coverage gap is closed completely in 2020 as required by §1101. In July 2012 CMS announced that as a result of the ACA, over 5.2 million seniors and people with disabilities with Medicare Part D who reached the "donut hole" have received an automatic discount on their prescription drugs. According to the report, in 2012, 31,273 individuals in Massachusetts have received an average discount amount per beneficiary of \$610 on their prescription drugs.

In addition, through §4103 and §4104 of the ACA, people with original Medicare receive **free preventive services**, including annual wellness visits. Prior to the ACA many people with Medicare had to pay for preventive health services. HHS announced that over 19 million people with Medicare received at least one free preventive service in 2012 so far. According to the report, for the first 6 months of 2012, 518,909 Medicare beneficiaries in Massachusetts have received one or more preventive benefits free of charge.

For more information on the donut hole coverage, visit: cms.gov

For information on savings in the donut hole by state, please visit:

<http://downloads.cms.gov/files/Summary-Chart-2010-2012.pdf>

For more information on the free preventive services, visit:

<http://www.hhs.gov/news/press/2012pres/08/20120820a.html>

For information on the utilization of free preventive services by state, please visit:

<http://downloads.cms.gov/files/preventive-services-data.pdf>

To read the report on savings for Medicare beneficiaries, visit:

<http://aspe.hhs.gov/health/reports/2012/beneficiariesavings/ib.shtml>

9/20/12 The U.S. Census Bureau released its American Community Survey (ACS) with state-level health insurance coverage information which showed that, similar to national data released the week prior, health insurance coverage for young adults in Massachusetts improved since passage of the ACA. The data looks at 2010 and 2011.

The U.S. Census Bureau announced that, for the first time in three years, the rate of uninsured Americans dropped, resulting in about 1.4 million more Americans with health insurance in 2011. The number of people without insurance declined to 48.6 million in 2011 compared to 50 million in 2010, according to the U.S. Census Bureau's annual Current Population Survey. The Census Bureau estimated that about 40% of the decline in the uninsured could be linked to the insurance coverage expansions under the ACA. There are two key factors that Census officials have linked to the changes: 1) growth in Medicaid enrollment and 2) the extension of dependent coverage up to age 26.

Under ACA §1001 young adults may be covered on their parents' insurance policies up to age 26 (this is similar to the law in Massachusetts, but slightly broader). The U.S. Census Bureau found that 27.7% of the young adults in that age bracket lacked insurance in 2011, compared to 29.8% in 2010. The ACS found that in Massachusetts health insurance coverage for young adults improved; the uninsurance rate for that population declined from 8.7% in 2010 to 7.5% in 2011. HHS reported that, as of December 2011, 3.1 million additional young adults nationwide have insurance coverage. Furthermore, the U.S. Census Bureau estimates that about 40% of the decrease in the uninsured rate among young adults is due those individuals remaining as dependents on private insurance plans.

For more information on the U.S. Census Bureau data visit:

<http://www.census.gov/hhes/www/cpstables/032012/health/toc.htm>

View the ACS results at: http://www.census.gov/acs/www/data_documentation/2011_release/

For more information on the ACA young adult coverage provision visit:

<http://www.healthcare.gov/news/factsheets/2011/08/young-adults.html>

EOHHS News

9/18/12 EOHHS held a Quarterly Affordable Care Act Implementation Stakeholder Meeting and the agenda included recent ACA implementation activities as well as a question and answer session.

A presentation was given by the Division of Insurance (DOI) on Essential Health Benefits, the set of medical services in ten broad categories of care required by ACA §1302 to be offered as part of a comprehensive package of items and services for small group plans and individual (non-group) plans, both inside and outside the Exchange.

Stakeholders also heard an update from EOHHS about why some legislative changes are needed in response to the ACA. There are five major areas which require legislative and/or regulatory changes: Medicaid and Exchange eligibility; Exchange coverage provisions; Individual mandate provisions; Employer responsibility provisions and private insurance

provisions. The presentation included an overview of the legislative changes that were passed in 2012. The 2012 items included authorization to designate the Health Connector as the ACA-Compliant Exchange, to designate DOI as the entity to administer reinsurance and to designate the Health Connector as the entity to administer risk adjustment.

View the Presentation on Essential Health Benefits Benchmark Plan Selection at:

<http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/prev-meetings/120919-essential-health-benefits-benchmark.ppt>

View the 2012 Legislative Changes Presentation at:

<http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/prev-meetings/120919-implementing-affordable-health-care.ppt>

All presentations from past Quarterly Stakeholder Meetings are available at:

[Presentations](#) under Materials from Previous Quarterly Stakeholder Meetings.

Reminder: Essential Health Benefits

The Division of Insurance is seeking comments from interested parties on the selection of the Essential Health Benefits benchmark plan. The linked chart can be used for reference and shows the differences in membership, value and covered services between the health plans under consideration. Please send comments to Kevin.beagan@state.ma.us and Robert.a.whitney@state.ma.us by **tomorrow, Wednesday, September 26 at noon**.

View the Essential Health Benefits chart at:

<http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/prev-meetings/120919-ehb-chart.pdf>

View a Presentation on Essential Health Benefits Benchmark Plan Selection at:

<http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/prev-meetings/120919-essential-health-benefits-benchmark.ppt>

Bookmark the **Massachusetts National Health Care Reform website**

at: <http://mass.gov/national health reform> to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.